Daily Report

Latin America

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Cuba

Castro, Maravall Discuss Science, Education

FL241544 Havana Tele-Rebelde Network in Spanish 1200 GMT 24 Dec 87

[Text] Commander in Chief Fidel Castro Ruz, first secretary of the PCC Central Committee and president of the Councils of State and Ministers, has received Jose Maria Maravall Herrero, Spanish minister of education and science.

During the meeting, which was held in a friendly and fraternal atmosphere, the two leaders exchanged opinions on the development of education and science in their countries, as well as other topics.

Lebanese CP Leader Meets Leftist Leaders

FL241931 Havana Tele-Rebelde Network in Spanish 1800 GMT 24 Dec 87

[Text] George Hawi, secretary general of the Lebanese Communist Party, this morning met with representatives of leftist parties, organizations, and national liberation movements in Cuba.

The Lebanese leader stressed that this movement has begun a new historic stage which has its own characteristics. People currently struggling for progress should note this new period, he said. He also said that the struggle for peace is now being converted into the fundamental cause that concerns all territories in the world.

Cabrisas Meets With Congolese President

FL261324 Havana Radio Reloj Network in Spanish 1237 GMT 26 Dec 87

[Text] Congolese President Denis Sassou-Nguesso has received in Brazzaville Cuban Foreign Trade Minister Ricardo Cabrisas Ruiz. The president gave Cabrisas a greeting for Commander in Chief Fidel Castro.

During the meeting, the Congolese chief of state evaluated the current economic and political situation of the African continent. He also emphasized the need for developing countries to expand cooperation ties.

The Joint Cuban-Congolese Intergovernmental Commission meetings ended with the signing of a protocol that outlines cooperation projects in the health, education, agriculture, and sports sectors.

The Cuban delegation visiting the Congo, which is presided over by Cabrisas, announced Cuba's participation in next summer's international fair at Punta Negra in the Congo.

Signs Cooperation Protocol

FL281649 Havana Radio Reloj Network in Spanish 1525 GMT 28 Dec 87

[Text] The seventh session of the joint Cuban-Congolese intergovernmental committee has ended with the signing of a protocol by the heads of the two countries' delegations. The document reflects the results of bilateral cooperation in the past 2 years, and provides a blueprint for public health, education, agriculture, and sports cooperation for 1988-89.

The heads of the two delegations exchanged the instruments of ratification of the trade agreement signed in 1982 between the two countries. A memorandum of understanding was also signed on the 2 days of talks between the Cuban and Congolese Foreign Trade Ministries.

Colombian Patriotic Union Leader Visits

Meets With Risquet

FL241529 Havana Tele-Rebelde Network in Spanish 1200 GMT 24 Dec 87

[Text] Jorge Risquet Valdes, member of the PCC Politburo and secretary of the Central Committee, has received Comrade Bernardo Alfonso Jaramillo Osa, president of the Patriotic Union coalition of Colombia, and his wife, Alba Lucia Lopez de Jaramillo. Jaramillo is in Cuba at the invitation of the PCC.

During the meeting, which was held in an informal, fraternal, and friendly atmosphere, they discussed various topics related to the international situation and Latin America.

Jaramillo gave his opinion of the complex situation in his country [words indistinct] and the difficult conditions under which his political organization works.

Meets With Rodriguez

FL251556 Havana Radio Progreso Network in Spanish 1200 GMT 25 Dec 87

[Text] Carlos Rafael Rodriguez, member of the PCC Politburo has received in Havana Bernardo Jaramillo Osa, president of the Patriotic Union coalition, and his wife, Alba Lucia. The Jaramillos are visiting Cuba at the invitation of the PCC.

The meeting was held in a fraternal and friendly atmosphere during which they discussed international politics and economics, especially the foreign debt that burdens Third World Countries.

USSR Ships Glass Insulators to Center

FL261353 Havana Radio Progreso Network in Spanish 1200 GMT 26 Dec 87

[Text] A large delivery of glass insulators has been shipped to Cuba by a Soviet factory which manufactures that product in Slavyansk in the Ukraine. The insulators will be used in hanging lines for the transmission of 500,000 volts of electricity, which is what the first electronuclear center in the country will provide its consumers.

Computer Center for Nuclear Research Opens

FL281327 Havana Tele-Rebelde Network in Spanish 1200 GMT 28 Dec 87

[Text] The computer center of the executive secretariat for nuclear affairs has been inaugurated in Havana. Jose Ramon Fernandez, alternate member of the PCC Politburo and vice president of the Council of Ministers, attended the dedication. In his opening speech, Fidel Castro Diaz-Balart, executive secretary of Cuba's atomic energy commission, referred to the advantages of having such a center in computerizing scientific and technical information. The center's computer is the most powerful in the country and was acquired in the Soviet Union. It is capable of carrying out up to 2 million operations per second.

Also present at the inauguration were Jorge Lezcano, first PCC secretary in Havana City Province, and other leaders.

Fidel Castro Attends ANPP Sessions 28 Dec

FL281623 Havana Radio Reloj Network in Spanish 1502 GMT 28 Dec 87

[Text] The second period of ordinary sessions of the National Assembly of the People's Government [ANPP] has begun at the Palace of Conventions, attended by our commander in chief, Fidel Castro. After the deputies listened to the national anthem, ANPP President Flavio Bravo Pardo excused himself from the meeting. He explained he had broken two vertebrae and was delegating the chairmanship to Comrade Severo Aguirre.

Aguirre called for a vote on the minutes of the last assembly.

Comrade Jose Ramirez mentioned the lack of compliance with the law on cooperatives, which had been analyzed during the last period of sessions after a report by Agriculture Minister Adolfo Diaz.

In this session, the agriculture minister said there were discrepancies in the regulations making up the cooperatives law, which has not yet been promulgated.

Commentary Urges Quality Products

FL250044 Havana Radio Rebelde Network in Spanish 1800 GMT 23 Dec 87

[Station commentary]

[Text] No country that aspires to economic development will be able to accomplish this goal if its products do not allow it to increase and sustain its actual purchasing power. This means that one must produce to have a more active participation in world markets and, in our case, in the global socialist division of labor. However, to reach these goals, it is not enough to just produce. It must be done in sufficient quantity and with the required quality.

Manna does not fall from heaven. That is why the axiom calling for more production with more quality and at less cost, is not just a slogan, as some people seem to think. If we can understand this, we must ask: What's the matter with the quality of our products? Is what we are producing helping us to add new items to the country's exportable funds? Will it help us substitute imports?

Unfortunately, we must acknowledge we have not made the progress we are capable of making in this area. It is true some poor quality can be attributed to technology, to installations which, if forced to produce over 25 or 30 percent, would result in worthless goods. But it is also true many problems in quality are directly caused by indolence, no sense of urgency, and other subjective factors.

What are we lacking? To make it perfectly clear, we still lack a sense of duty and culture to produce with quality. We must add that as long as we do not possess that sense of duty and that culture, we are not going to solve the problem. We must point our work in this direction. We must struggle decisively against tolerance, paternalism, and shoddy work. If these are not adequately sanctioned, they will invariably lead to conformism. That which is objectionable, Comrades, should not simply remain on paper or as rhetoric.

Haiti

Presidential Candidates File for Elections

FL282138 Port-au-Prince Radio Metropole in French 1700 GMT 28 Dec 87

[Text] Several declarations of candidacy have been filed. Our reporters went to the Court of Conciliation for the east section of Port-au-Prince. There they learned that Gregoire Eugene, Lesage Chery, Clovis Desinor, Claude Raymond, Alphonse Lahens, Edouard Francisque, Jean M. Desulme, and Dieuveuil Joseph have filed candidacy for president of the Republic.

Franck Romain has filed candidacy for mayor of Port-au-Prince. Pierre Desinor has filed candidacy for senator for the Department of the West. (Georges Brignol) has filed candidacy for deputy.

We received this information from Judge Andre Normil of the Court of Conciliation for the east section of Port-au-Prince.

We are going to check the other Courts of Conciliation, and we will inform you.

MDN Calls for Election Participation

FL282217 Port-au-Prince Radio Nationale in Creole 1400 GMT 28 Dec 87

[Text] Mr Hubert de Ronceray's party, the Mobilization for National Development [MDN], informs its members and sympathizers that on the occasion of the coming 17 January elections, it is asking its members to announce or confirm, as soon as possible, at the central office or a regional office that they will be candidates for senator, deputy, or municipal council member.

The MDN reminds everyone that the party's massive participation in the coming elections is a logical response in the spirit of 7 February 1986 and is also an imperative at this present moment in the political life of Haiti.

That was a news release from the MDN.

People Respond to CED's Stay-Home Directive

No Midnight Masses in Cap-Haitien

FL282232 Port-au-Prince Radio Nationale in Creole 1400 GMT 28 Dec 87

[By Cap-Haitien correspondent (Jacques Marcellus)]

[Excerpt] Christmas in Cap-Haitien was not too bad. Many people did make an effort to go to the market place to buy what they needed. But of course, there were also many people who were unable to do so.

The remarkable thing in Cap-Haitien was that not a single church held a midnight mass. On 24 December, at approximately 1100, there was a communique over Radio La Voix de l'Ave Maria announcing there would be no midnight mass anywhere—not at Sacre Coeur, not at the Cathedral, and not at (Dom Bosco).

But we can also say that, apart from the fact there was no midnight mass, there was no disorder in the streets. There were no incidents. No one was hurt and no one was killed, because the people did not engage in that kind of activity. [passage omitted]

Home Attacked in Cazal

FL282326 Port-au-Prince Radio Antilles Internationales in French 1256 GMT 28 Dec 87

[Text] A source close to the victim has reported that a woman was mortally wounded by bullets on Saturday night [26 December] in Cazal. The woman was wounded when unidentified assailants fired on the residence of her husband Mr (Quesner Pierrelus), the sacristan of the Cazal chapel, at approximately 0200 Sunday. She died yesterday morning in a Port-au-Prince hospital. It is still not known why the aggressors fired on the residence.

The same source said that the victim's husband refused to hold a religious service on the evening of 24 December because of the prevailing climate of insecurity.

Arrests in Port-de-Paix

FL290042 Port-au-Prince Radio Metropole in Creole 1700 GMT 28 Dec 87

[By Michel Edouard]

[Excerpts] There were two midnight masses for Christmas. One was at the Catholic Church and the other at the Episcopal Church in the heart of Port-de-Paix.

Friday, at approximately 0200, a few minutes after the end of the midnight mass, there was a burst of gunfire from around the Telecommunications d'Haiti [Teleco] office following an argument between a soldier in civilian dress and a group of youths who were pushing a wheelbarrow. The soldier was on a bicycle and was hit by the wheelbarrow. An argument ensued. The soldier left and returned with a group of soldiers. There was a burst of shooting from around the Teleco offices and many people started running. A group of soldiers entered the Teleco offices and arrested a number of young people. Some of the youths were released later that night and the following morning. [passage omitted]

In Saint Louis du Nord, because of a group of young people who went into hiding on 23 December and have not yet reappeared, things were not pleasant over the Christmas holiday. A certain sector in town was saying that former important Macoutes together with important [word indistinct] were planning to go into the young people's residences and take them, for participating in the popular movements. They also planned to take those who refused to be members of the Communal Electoral Offices. The sector said the young people would be eliminated and many young people went into hiding.

What made things even worse is that on Thursday morning [24 December] the youths' parents awakened to find tracks in front of their doors, despite the fact their children had gone into hiding. This caused much talk. Thus, Christmas has not been celebrated in Saint Louis du Nord for 3 years now.

As regards the BEC's [Communal Electoral Offices] and the BED [Departmental Electoral Office], the members of the BEC's and of the BED were sworn in before the Civil Court of Port-de-Paix. [passage omitted]

One day after they were sworn in, there were rumors in town to the effect there had been resignations. As of now, we have received one letter of resignation from a member of the new (?BED), (Herold Charles). [passage omitted]

Military Patrol Jacmel

FL290057 Port-au-Prince Radio Metropole in Creole 1700 GMT 28 Dec 87

[By Jacmel correspondent (Pierre Nazeau Boliere])

[Excerpt] News from Jacmel, what Christmas 1987 was like in Jacmel: From very early on 24 December, there were many military patrols in the heart of Jacmel. They were armed with heavy weapons and made many people anxious.

The traditional midnight mass was not held at the church, but all the church youth, the priests, and others among the faithful got together to pray for Haiti. They prayed from 2000 to 0500. Many things were discussed, and there was even a play about life in Haiti now.

Around 2230 that evening, all the doors of the church were closed. The priest decided to shut them in order to avoid any kind of clash with the many military patrols all over Jacmel.

Also, if one searches long enough, one eventually comes up with the names of the members of the new BED for the Department of the Southeast. This was a mystery to many. No one was aware that the BED had been installed—or when. According to the people in charge of the information office in Jacmel, on Saturday, 19 December, Mr (Charnel Charles), a member of the new Provisional Electoral Council; Mr (Teye), a former inspector of schools in Jacmel (?who is now retired); and Mr (Frederic Beaudin) had come and installed those people. [passage omitted]

BEC's Installed; People Oppose CEP

FL290025 Port-au-Prince Radio Metropole in French 1700 GMT 28 Dec 87

[Excerpts] The different members of the BEC's in the provinces were installed over the weekend.

We have learned from our correspondent in Jeremie that BEC members were installed in Anse-d'Hainault, Chambellan, and Moron; and that people were quite upset because some people were against collaboration with the Provisional Electoral Council [CEP]. [passage omitted]

According to our correspondent, (Ertho Zamor), people were particularly agitated in Moron, where many people are against cooperating with the members of the new CEP. [passage omitted]

The other big news in the Grande Anse, besides elections, was the gas shortage. Gasoline is being hoarded. It costs $5 a gallon on the black market and is difficult to obtain. Unfortunately, we were unable to record our conversation with (Ertho Zamor).

Jamaica

Seaga Responds to Robinson's Remarks

FL261925 Bridgetown CANA in English 1416 GMT 23 Dec 87

[Text] Kingston, Jamaica, Dec 23, CANA—The Trinidad and Tobago ambassador to Washington took part in a December 1 meeting in Miami that officially launched Jamaica Prime Minister Edward Seaga's Haiti initiative, Seaga said.

The ambassador (to Washington) sat in on the meeting of concerned Caribbean leaders, Seaga told reporters on Tuesday as he expressed surprise at the Trinidad and Tobago Prime Minister Arthur Robinson's claim of ignorance about the initiative.

Before that, Robinson was sent letters and telexes on the matter, Seaga said.

Seaga, John Compton of St Lucia, James Mitchell, Dom Martina of the Netherland Antilles, and Henny Emand of Aruba under the so-called group of Concerned Caribbean Leaders (CCL) have been attempting to influence events in Haiti. Their meeting with Haitian leader Henri Namphy on December 10 was said by critics to have handed comfort to the provisional government.

Trinidad and Tobago is quite surprised with the latest initiative, Robinson said in Port-of-Spain.

There is absolutely no reason for the ignorance of Mr Robinson of the proceedings that have taken place because he has been advised, Seaga said. Unless I am to understand that he does not read his correspondence.

Seaga disclosed that Robinson was written to October 6 inviting him to a meeting which at the time was expected to be held in Kingston later in the month. That meeting did not come off, but Trinidad and Tobago officials had indicated that Robinson could not attend because of an earlier commitment to travel to Los Angeles to receive an honorary doctor of law degree.

When it became apparent that several Caribbean leaders would be in Miami for the annual conference on the Caribbean, Robinson was sent a telex on the meeting proposed for December. It was that Miami meeting that the ambassador attended.

The CANA correspondent was shown a copy of both the letter and the telex. Seaga said that he was most surprised that Robinson was still ignorant, despite those developments, but at the same time added: I am not surprised that the prime minister is unaware.

Seaga, seemingly tongue in cheek, suggested that Robinson might not have had time to attend to the latest correspondence on the subject because of Cabinet changes at the time.

Seaga said Guyana had initially been invited to be part of the initiative but had said it wanted a specific invitation from the Haitian authorities. The Bahamas was also asked to be a part but Seaga gave no reason for their absence.

The Jamaican prime minister has said that his government has been keeping the Caribbean as a whole up—to-date on its own initiative on Haiti.

Three reports out of the work by his special emissary to Haiti, Neville Gallimore, had been circulated among Caribbean Community (Caricom) countries, Seaga said. He said he had even tabled one at the June summit at Caricom leaders in St Lucia.

St Lucia

Compton on Caricom's Position on Haiti

FL261751 Bridgetown CANA in English 1738 GMT 22 Dec 87

[Text] Castries, St Lucia, Dec 22, CANA—Following is the text of a statement issued on Tuesday by St Lucia's Prime Minister John Compton the chairman of the Caribbean Community, on Haiti.

As the situation in Haiti has evolved in the two years following the removal of the Duvalier regime, there have been a series of calls for our Caribbean Community to indicate an interest in and concern with events in that country.

In the months prior to the now aborted November elections, these calls for a Caricom display of interest through the presence of an official observer team increased, and I have , therefore, sought as current chairman of the Caricom Heads of Government conference to find a consensus among my colleagues on the possibilities for such a presence.

My soundings among colleagues indicated no consensus for action. While some have felt that we have a moral and political responsibility to demonstrate an active and visible presence in Haiti, others have felt that in the extremely complicated political and social situation of the past Duvalier era in that country, the possibilities for meaningful Caricom action are limited, and that we should beware of unwanted interference in the affairs of that country.

Caricom works by consensus and the lack of consensus on this matter has been longstanding. This visit confirmed my long-standing view of the extreme delicacy of the situation, and that Caribbean leaders should not do anything that would at this time serve to increase the isolation of the Haitian people whatever the transgressions of some of the political leadership.

We have known for some time that very little of the infrastructure for democratic policies and electioneering exists in Haiti. But I have always felt that the Haitian peoples vivid anxiety for political expression should be given an opportunity to unfold itself if there were even a minimal possibility for this.

The weakness of the political mechanism are, however, now even more apparent, and it does not seem to me that the current arrangements will make for satisfactory democratic expressions of the wishes of the Haitian people.

The Caribbean Community should join with other nations in a position to make practical contributions and urge General Namphy to order a postponement to the proposed election effort, and urgently seek the appropriate assistance that will be conducive to a free and fair general electoral process.

We should, however, not delude ourselves that there are not forces in the Haitian society whose malevolent wills may not at this time and in the short run be controllable.

It is indeed a matter of record that immediately upon the overthrow of Duvalier, I tried to interest the then chairman of our community in sending to Haiti an observer and investigatory team, reflecting the cultural and geopolitical affinities of our people to the Haitian people.

The purpose would be to seek to elicit from the transitional regime, its concerns for Haitian political development, and areas in which they felt the Caribbean Community's assistance might be useful.

This attempt failed and in my own efforts as chairman I could take the matter no further.

It is for this reason that I sought to do two things. First, in the pre-November election period, to informally give my support to the observer team from the Caribbean Conference of Churches that was organised to visit Haiti, I indicated this to some of the Roman Catholic bishops who were visiting St. Lucia at that time.

Secondly, I took the opportunity when this was offered at short notice, to make with some other Caribbean prime ministers, a brief visit to Haiti during the unsettled post-November period, to get a first-hand view of that situation and to be able to make a personal assessment of General Namphy's own orientation to the future electoral process.

As my colleague, Prime Minister of St. Vincent and the Grenadines has observed, democratic practices cannot be suddenly imposed on a country from which they have long been absent.

I envisage for the medium term future, if the Haitian people so desire it, a Caricom technical presence along with that of other countries with a valid interest, providing assistance for the elaboration of a workable electoral infrastructure.

I hope, however, we will be able to have a sufficient consensus in Caricom for putting this in place when the timing is appropriate.

I shall now, therefore, once again, initiate regional and international consultations to that end.

End of text.

Trinidad and Tobago

Robinson Calls for Urgent Meeting on Haiti

FL281158 Bridgetown CANA in English 2235 GMT 27 Dec 87

[Text] Port-of-Spain, Trinidad, Dec 27,CANA—Trinidad and Tobago's Prime Minister A.N.R. Robinson wants an urgent meeting of Caricom Community (Caricom) heads of government to establish a common Caricom position on Haiti, External Affairs Minister Basdeo Panday said Sunday night. Panday said Trinidad and Tobago was seeking the meeting in the first week of January.

Caribbean governments have voiced concern about developments in Haiti, where the November 29 presidential elections were canceled amidst an outbreak of violence.

Fresh elections have been called for January 17, but the country's four main opposition leaders have threatened a boycott, complaining of new electoral laws issued by the military-led governing council.

Panday said that Robinson had already been in communication with Caricom chairman, Prime Minister John Compton of St. Lucia, and government representatives from several Caribbean countries. Panday's statement, broadcast on television Sunday night, related this country's concern for the situation in Haiti following the postponement of the November poll and subsequent concern expressed by Compton on the need for meaningful Caricom action and avoidance of unwanted interference in Haiti's affairs.

Prime Minister Robinson last week expressed surprise at the latest initiative in Haiti by a four-member team led by Jamaican Prime MInister Edward Seaga under the name of concerned Caribbean leaders. The Trinidad and Tobago position on the Haitian issue has at all times been clear and consistent, Panday said.

We therefore reiterate that the situation urgently requires a common Caricom position. It is to that effect that Trinidad and Tobago supports the convening of an emergency meeting of Caricom heads of government, preferably in the first week of January 1988. At this proposed meeting, Trinidad and Tobago will seek further to emphasise the need for Caricom consensus on possible initiatives with regard to the current situation in Haiti, Panday said.

In conclusion, the Government of Trinidad and Tobago repeats that it is surprised that a visit to Haiti by leaders of three Caricom countries had in fact taken place, notwithstanding the lack of Caricom consensus on the issue. The meeting is likely to take place just before government turns its attention here to Trinidad and Tobago's 1988 budget due to be delivered on January 8.

External affairs officials have been studying the recent situation in Haiti and statements coming from Jamaica and other members of the 13-member Caricom group over the last week. Officials said that Trinidad and Tobago had originally, as Caricom looked at a joint position before elections in Haiti, wanted a Caricom observer team on the island at the time of elections.

Prime Minister Robinson told CANA last week this had not taken place because Jamaica had instead suggested it take a look at the situation and report back to Caricom.

Robinson said Trinidad and Tobago had kept in contact with Caricom chairman, and St. Lucian Prime Minister John Compton but had got no further word on a common position as Haiti faces the polls again in January.

Economic Solidarity, Strategy Pact Signed
PA252000 Mexico City EL NACIONAL in Spanish 17 Dec 87 pp 4, 5

["Text" of the Pact of Economic Solidarity and Economic Strategy signed by President Miguel de la Madrid, cabinet secretaries, peasant sector leaders, and business sector organizations; date not given]

[Text] For the last few years the people and government of Mexico have made a sustained effort to decrease inflation. Even though the effort was successful in the beginning, the contraction of the oil market in 1986 caused inflation to increase. In view of the phenomena of financial uncertainty and instability that have appeared in the past few weeks, the situation has become more complex. However, currently a large number of the economy's basic indicators are encouraging for the implementation of the economic policy. Therefore, the Mexican Government, in agreement with the various social sectors, has decided to act in timely way, firmly, and in close correspondence with the law to prevent inflation from endangering the social harmony and what has already been achieved by the national renovation.

The current situation is characterized by the following unfavorable elements:

1. A significant increase in inflation.

2. A serious drop in real wages.

3. A significant lag of prices and tariffs in the public sector, because the increases that have been authorized throughout the year have been considerably lower than the inflation that has been experienced.

4. An unstable situation in the exchange market.

5. A lack of stability in money markets, resulting in inaccurate fluctuations on the stock exchange index and in interest rate increases.

6. Great uncertainty in the international economic outlook, which may adversely affect the prices of raw materials we export, and which may increase our foreign debt.

The following encouraging elements are also evident:

1. A solid balance of payments situation showing a surplus, resulting to a large extent in the increase of nonoil exports.

2. The country has an acceptable level of international reserves.

3. Important progress has been made in the process of structural changes both in foreign trade and in the reorganization of public finances and the federal public sector.

4. A strengthening of the financial position of most private enterprises.

To deal with this situation we are making tactical adjustments in our economic policy. The general outline of these adjustments has been discussed with representatives of the various sectors. These adjustments will help adapt the General Guidelines of the Economic Policy for 1988 to the current situation. These efforts are aimed at fighting inflation in 1988, rapidly reducing it after the second quarter. The economic policy for 1988 is based on the following general points:

1. A substantial shoring up of public finances by significantly reducing planned expenditures, updating the public sector's price lists and rates, and by making various tax adjustments. The basic fiscal surplus (the difference between public revenues and public expenditures, excluding interest payments) will be 8.3 percent of the GNP instead of 5.4 percent as estimated in previous drafts sent to the Chamber of Deputies.

2. Salary negotiations will be in accordance with the interests of the working class and with the struggle against inflation.

3. Reinforcing the policy of rationalizing commercial protection by immediately adopting lower tariffs.

Implementing this policy will result in a strictly temporary increase in inflation and then a quick reduction in inflation. This policy will be the basis for a firm economic recovery. There will be a combination of fiscal and monetary controls along with adopting rules for salary negotiations, guaranteeing fixed prices, reviewing the public sector's price lists and rates, and agreeing on special prices [precios privados]. This will help the fight against speculation and the rigidity that inflationary inertia produces. The success of this strategy will depend on the systematic managing of all the economic policy tools and, especially, on compliance with commitments adopted by all the sectors so we can respond as a single front to the various social groups' legitimate demands for definite control [of the economy] and the elimination of the problem of inflation.

The initial intensity of these measures will result in a much larger basic fiscal surplus in the first quarter of 1988 than what had been anticipated for the whole year. This surplus will result from the initial adjustment of prices and tariffs and from a particularly large reduction of public expenditures during that quarter. Exchange rate adjustments and adjustments of prices, tariffs, and salaries will result in a temporary rise in inflation. This, together with fiscal and monetary adjustments, will have an initial recessionary impact on national production. This recessionary impact will change significantly and allow economic growth during the second half of the year, during which inflation will be noticeably lower.

It is believed that inflation in 1988 will be approximately half of what it was in 1987. It is also expected that interest rates will drop considerably in the second quarter and that there will be a moderate increase in economic activities that will be more accentuated by the end of the year. There will also be a considerable positive surplus in the balance of payments and a favorable change in the country's economic outlook.

It is expected that the total financial deficit—which includes payment of interest on the public debt—will be significantly smaller than what had been originally estimated. This drop will be due to the increase in the basic surplus and lower interest payments on the domestic public debt because of a drop in inflation.

Public Revenue Policy [subhead]

1. Public sector prices and rates will be adjusted as of tomorrow, 16 December, to recover from the lag the country has experienced in the last few months and to reach an appropriate level. Once these adjustments are made, public prices and rates will remain the same during January and February and will gradually be adjusted as of March according to the projected monthly inflation. These adjustments will provide additional revenues of about 1 percent of the GNP.

2. Income tax changes will be made so Fiscal Promotion Certificates, Ceprofis, will become taxable income. Likewise, new certificates will be eliminated, except those assigned to the agricultural sector. This action will result in an increase in revenues of 0.14 percent of GNP.

3. Rights and benefits [not further identified] will be adjusted with authorization from the National Congress at the beginning of the year. Starting in March they will be adjusted according to changes in public sector prices and rates.

4. The planned accelerated depreciation incentive will not be granted, and the extra 5-percent tax on imports will be ended.

5. Agreements will be reached with state governments so they can try to increase their own revenues.

6. Efforts will be made to curb tax evasion through increased oversight. Proceedings against tax evaders will be further simplified, and the laws will be rigorously enforced. The national crusade against tax evasion will be stepped up in view of the results so far.

Public Spending Policy [subhead]

Changes will be made in the budgets of the federation and the Department of the Federal District submitted by the federal executive branch to the Chamber of Deputies. The goal is a budget that is 20.5 percent of the GNP instead of the 22 percent initially planned. This goal presupposes the following actions, among others:

1. A reduction in the originally planned expenses, which includes adjustments to both current and investment spending. Cuts will be made selectively and taking into account priorities in social spending.

2. A speedy expansion and implementation of the program eliminating public enterprises and making other structural adjustments in public spending.

3. A reduction or elimination of subsidies with doubtful social or economic justification.

4. An additional effort to streamline public sector administrative structures.

5. Efforts to make the federative entities participate in efforts to reduce public spending at the local level, particularly during the first part of the year, through coordinated actions.

6. Considerable efforts to make the public sector entities not included in the budget follow timetables similar to those of entities included in the budget. Likewise, there will be deep cuts in subsidies.

Wage Policy [subhead]

According to the terms agreed upon, the president of the Minimum Wage National Commission will approach the production sectors and suggest an immediate 15-percent increase in the current minimum wage, to include contract workers, and another 20-percent increase effective 1 January 1988 as established by law. Likewise, the commission's president will suggest that at the end of the first 2 months of 1988 new wage increases be established on a monthly basis, in accordance with projected changes in basic product prices. These changes will be determined in the next few days by the Secretariats of Labor and Social Welfare and of Commerce and Industrial Development following talks with other sectors that also signed the Economic Solidarity Pact. Changes will also be made to the public sector's price lists and rates.

Price and Supply Control [subhead]

Special emphasis will be given to the control of basic product prices. To prevent sudden changes in the price of some of these products, adjustments will be made in December 1987. After December 1987 only moderate increases will be allowed depending on the changes made to the wage system and to the public sector's price lists and rates. All price increases will be studied immediately to avoid future lags. Likewise, the pricing policy for basic products will be in accordance with the changes in fixed prices.

The strict control of basic product prices, according to the above-mentioned guidelines, will be supported by a supply policy that will prevent any product shortages or rationing. To achieve this, official and labor union stores

will be used. Likewise, the timely import of products in short supply will be authorized. Any person caught changing the price of a product subject to control or caught hoarding those products will be severely punished.

Fixed prices will be the same in 1988 as they were in 1987. This measure not only protects the peasants' income, but it also prevents additional pressures caused by inflation.

Commercial Policy [subhead]

An essential element in the battle against inflation is the reduction of foreign trade barriers. Free trade allows foreign competition to exert greater discipline on domestic prices. Likewise, the reduction of foreign trade barriers encourages the export sector in a permanent, rather than an artificial, manner. Under these circumstances, support for the export sector will be rationalized, and, in turn, this will have a favorable impact on public funds.

During the last few years substantial progress has been made in substituting duties for import permits and improving tariff rates. However, it would be desirable to expand this policy. The process of substituting duties for import permits will be emphasized and downward adjustments will be made. The maximum duty is reduced from 40 percent to 20 percent.

To enhance production competitiveness, the flow of merchandise via railroads, highways, and ports will be expedited. Measures will also be adopted to speed up customs proceedings.

Monetary Exchange Policies [subhead]

The controlled exchange rate will be used to help ease inflationary pressures, maintain the competitiveness of the nation's industrial plant, and preserve the balance of payments surplus.

The controlled exchange rate was increased by 22 percent yesterday. This was accompanied by the reduction in tariffs, which offsets the effects of the devaluation on prices because most of the tariff reductions apply to a wide range of consumer goods.

In addition, the adjustment in the exchange rate combined with the tariff reduction will have a dual, positive effect on exports. The cost of raw materials and supplies required by exporters will approach the corresponding international prices and the exporters' earnings in pesos will increase.

Monetary Policy [subhead]

In the event of a fast drop in inflation, it is important to rely on a flexible policy on interest rates. It is advisable to note the different behaviors of interest rates. Initially, because of the higher inflation resulting from the adjustments in the exchange rate, salaries, prices, and tariffs, nominal interest rates may increase but the real rates will probably not be too high. At a later date, as the public sector's financing needs decrease, it will not resort to the credit market as much as before. This, combined with the drop in inflation, will result in a decrease in interest rates. Consistent with the anti-inflation strategy, commercial and development banks will have to have restrictive credit policies, except in the case of the agriculture-livestock sector and medium- and small-sized industries.

Fiscal Considerations [subhead]

Inflation will rise as a result of corrective measures, but the intent and purpose of the plan is for inflation to reflect a marked downward trend until the end of the year, when a rate of 1 or 2 percent is expected

The sharp drop in inflation in 1988, following a sharp rise in January, will be due to the fiscal corrections and curbing the inflationary spiral, the latter being based on the following factors:

1. Opening new markets.

2. The exchange policy.

3. The synchronization of increases in: prices of staples, public sector charges, salaries, and guaranteed prices.

4. The social pact, which uses salary increases as the yardstick for setting other prices.

As a result of these measures, it is expected that during the second half of the year there will be a significant recovery that will make possible a 2-percent increase in the GNP in 1988 and an even greater increase in 1989.

In difficult days responsibly accepting challenges and adverse situations implicitly opens the possibility of taking advantage of opportunities that such situations present. Now, the solidarity of all the country's productive sectors has been added to the government's leadership so we may resolve the problems we are enduring united as a common front.

With the protection of a de jure state, with the support of the institutions that the people have created, and with the National System of Democratic Planning, the way has been opened for the participation of and contribution by all the people. The common objective is to eliminate inflation, make the economy grow at a healthy rate, and avoid social discord. In conclusion, the common objective is to more quickly bring about the grand improvement of the nation.

Miguel de la Madrid, President of Mexico

For the federal government:

Dr Pedro Aspe Armella, Secretary of Planning and Budget

Arsenio Farell Cubillas, Secretary of Labor and Social Welfare

Gustavo Petricioli I., Secretary of Finance and Public Credit

Hector Hernandez C., Secretary of Commerce and Industrial Development

For the labor sector:

Fidel Vasquez S., President of the Labor Congress

For the peasant sector:

Hector Hugo Olivares V., Secretary General of the National Peasant Confederation

Senator Alfonso Garzon Santibanez, Secretary General of the Independent Peasants Central Organization

Alberto J. Ahumada, National Confederation of Small Landowners

For the business sector:

Business Coordinating Council

Mexican Association of Insurance Institutions [Asociacion Mexicana de Instituciones de Seguro]

Confederation of National Chambers of Commerce, Services, and Tourism

Mexican Council of Businessmen

National Chamber of Commerce of Mexico City

Confederation of Industrial Chambers of Mexico

Agricultural and Livestock National Council

National Chamber of the Manufacturing Industry

Mexican Employers Confederation

Mexican Association of Brokerage Houses

Opposition Rejects Economic Solidarity Pact

PA272345 Mexico City EXCELSIOR in Spanish 19 Dec 87 pp 1-a, 9-a, 29-a

[Article by Armando Sepulveda and Julio Hernandez]

[Excerpts] The Mexican people no longer believe in the government plans for economic recovery or in false solidarity pacts, several opposition deputies said during a legislative session yesterday. The deputies also asked the federal executive to send budget amendments to the Congress as proposals, instead of forcing PRI deputies to make the necessary adjustments.

For over 12 hours representatives of the seven opposition parties criticized the government's economic policy, the recently signed Economic Solidarity Pact, and the performance of the secretaries who submitted reports: Finance Secretary Gustavo Petricioli and Programming and Budget Secretary Pedro Aspe.

Perhaps the harshest critic of all was Pedro Penaloza of the PRT [Workers Revolutionary Party], who accused the secretaries of imposing a "war economy" on Mexico at "gunpoint" and of virtually acting like "deputies" by deciding beforehand what the PRI deputies would later approve. [passage omitted]

The session began with fireworks, as Gonzalo Altamirano Dimas read a joint declaration on behalf of his party, the National Action Party [PAN], and the Mexican Socialist Party, the Mexican Democratic party, and the Workers Socialist Party [PST], expressing "repudiation of the clandestine dialogue" that resulted from the PRI delegates' refusal to allow the secretaries to appear before the legislature, whose sessions are broadcast by radio and television.

Moreover, the four parties stated that "this attitude demonstrates the government's fear of the people's reaction to a smothering economic policy that works against our very survival." [passage omitted]

The first to open fire was Jesus Gonzalez Schmall, coordinator of the PAN group. Among other things, he said "the technocrats are attempting to resolve problems from within luxurious offices with their fascination with imported technology and their belief that having studied in foreign universities gives them the right to use government powers with impunity."

Jorge Eugenio Ortiz Gallegos, another PAN member, told the secretaries that they are like the boy who cried wolf so often that no one believed him when it was true. That is your position: "No one can believe any longer that you can lower inflation," he said.

Ortiz Gallegos' criticism reached its height when he attacked the business hierarchy, saying that the Economic Solidarity Pact had been made "with people incapable of making those agreements because they do not represent the people, nor employers nor businessmen, because they have reached their positions through artificial means."

Heberto Castillo, on behalf of the Mexican Socialist Party [PMS], followed by saying: "You have not achieved solidarity; you have achieved the laborers and peasants' surrender to the businessmen's interests." [passage omitted]

When the PRI's turn came, Deputy Cesar Augusto Santiago spoke, and from the outset he said that for his fellow party members the real concern is with a new bill on budget laws and that having the deputies handle the amendments would provide them with an opportunity to properly fulfill their legislative duties. [passage omitted]

On behalf of the PST, Beatriz Gallardo Macias said that the Economic Solidarity Pact "will be eminently recessionary and inflationary" and that "it benefits financially independent people, large capital, and speculators."

The PST member (whose party is now called Cardenista Front for National Reconstruction [Frente Cardenista de Reconstruccion Nacional] [parenthesis as published], also said the pact will weaken institutions and violate fundamental constitutional laws." [quotation mark as published]. She also disapproved of the damage done to the historical alliance between the workers and state and the lack of respect shown for the legislative branch. [passage omitted]

Penaloza said the pact "is nothing more than a public confession, which could not be expressed before, that the ruling group is contemplating a new agreement between the bourgeoisie, state institution unions, and the government."

He said the pact is "a bad joke," and he noted public statements by Fidel Velasquez and business leaders criticizing the pact. [passage omitted]

Forms Front To Reverse Pact

PA290209 Mexico City UNOMASUNO in Spanish 23 Dec 87 p 4

[By Ubaldo Diaz]

[Text] Left-wing parties, the Democratic Current, and about 12 independent trade unions yesterday formed the Sole Front Against the Economic Solidarity Pact [Frente Unico Contra el Pacto de Solidaridad Economica], which is faced with the urgent task of reversing the government's decision that will worsen even further the economic situation, PMS Secretary General Gilberto Rincon Gallardo stated.

The commission was formed by the PMS, the PRT, the University Student Council, neighborhood groups [asamblea de barrios], the magazine PUNTO CRITICO, and others. The leader explained that the organization will help form a commission to encourage a broad front, to include social organizations, trade unions, and political parties.

The need for such unified action, Rincon Gallardo said, is that this pact will seriously damage the people's economic resources, will block avenues leading away from the crisis, and will not offer any viable alternative to a struggle. On the contrary, the pact pushes the people further into misery and desperation, he said.

For this reason, a protest is planned at the Zocalo monument on 24 December beginning at 1200 and a commission will be formed to encourage a broad front against the pact. This campaign will include cultural and political events.

Likewise, a similar protest is planned to take place in front of the Chamber of Deputies on 28 December beginning at 1200, at the very moment when the federal budget is to be discussed.

In addition, Rincon Gallardo reported, several commissions were appointed to speak to all opposition political party leaders and to invite them to join in this unified effort.

Rincon Gallardo said that for this very reason the commission will meet again to discuss the urgent work necessary in the next few days.

Rincon Gallardo said that by signing the Economic Solidarity Pact the president promised to encourage and to send to Congress modifications to the 1988 federal income and budget law.

Because these laws have already been presented to Congress, the president cannot promise to change them because from the moment they were presented they were exclusively the Congress' responsibility.

Former PRI President Resigns From Party

PA251340 Mexico City UNOMASUNO in Spanish 16 Dec 87 pp 1, 8

["Text" of letter by former PRI President Porfirio Munoz Ledo; dated 15 December]

[Text] To all my fellow party members and to the national public:

The time has come to formalize a decision I have been considering for a long time and that I had hinted to the public: my voluntary and irrevocable resignation from the PRI.

The reasons are well known. I feel the party has abdicated its historical task and has given up the vanguard role it should play in facing the crisis. Behind its acronym today lays a submissive and antipopular attitude we must fight against.

Subjugated by the counterrevolutionary group in power and restrained by the remission of its leaders, the party has lost the genuine loyalty of its activists and the confidence of the citizens—thus the original reason for its existence.

The organization carried out fundamental phases in the country's life. It transformed the nation and largely contributed toward building our present. However, it has closed itself to the desires for changes and is obstructing the emergence of a fully democratic society.

We did everything we could to shake up the party's conscience and modify its internal balance in favor of a constitutional plan and to rescue our sovereignty. We were attacked and ignored. We have found it necessary to change our position from critic to dissident and to openly promote a progressive opposition in order to honor our convictions.

We are intent on creating—through the cooperation of various political parties and forces—a broad democratic front that will support Cuauhtemoc Cardenas' presidential candidacy and become Mexico's leading political force. Only thus will we be able to defeat continuity and return to the people their supreme right to self-determination.

The struggle undertaken demands facing all the risks and excluding ambiguities. I invite the PRI members [words indistinct] reject imposition, abandon the organization, and join our cause.

Those who choose to support us from within the party through persuasion and vote have my solidarity and hope that they will persevere in their rebellion. Those who have chosen to support authoritarianism under the pretext of trying to transform the party are irrefutably showing their contradiction and thus creating suspicions that their attitude is only a disguise for opportunism. As always, I reject the opportunists and profiteers who have always existed.

The separation hurts. Friendships are left behind, and the remembrance of tasks shared together, objectives accomplished, and unfulfilled dreams are vivid in our minds. However, it is comforting to again find the best of our past in the unpredictable horizon of new struggles.

Upon leaving the party I want to expressly recognize the errors and omissions that I surely committed as an official and as a member of the party. I believe I have been loyal to my convictions and unbribable in my principles. However, I fully assume the responsibility of my own acts, and even those committed collectively, in abuses and deviations by the regime I served.

I resign from the party because I believe in the high values of the Mexican revolution and democracy's power of freedom. The system established by which a single political organization prevails has come to an end. Our people yearn to live in different surroundings, with freedom and justice, to care for their independence. They need it to again believe in themselves and in their future.

Together with numerous companions, I have decided to fight without faltering for the changes the country needs. We are committed to defending, against all adversity, together with our own prerogatives as free men, those of our fellow citizens.

The government is responsible for counteracting insurgency and guaranteeing the constitutional change of power.

I call for an end to slander and reprisals, so all social circles can participate in politics and ensure—through the unrestricted respect for citizens and obeying the will of the people as expressed at the polls—the country's peaceful alternation of power.

Mexico City, 15 December 1987

Briefs

Ethiopian Delegation Visits

PRI leader Deputy Nicolas Reynes met with a visiting high-level Ethiopian delegation headed by Kassa Kebede, Ethiopian ambassador to Mexico. Reynes stressed that Mexico has a firm foreign policy and does not allow the intervention of hegemonic powers in the internal affairs of the country. Ambassador Kebede explained the advancements made by the democratic process his country has experienced since the Ethiopian revolution 13 years ago. The two delegations exchanged copies of their constitutions. [Summary] *[Mexico City EL DIA in Spanish 15 Dec 87 p 3 PA]*

Electricity Rate Increase

A decree ordering an 84-percent average increase in electricity rates goes into effect today. The increase was authorized to partially offset the Federal Electricity Commission's increased expenses, because this year's inflation rate was more than expected. [Text] *[Mexico City EL NACIONAL in Spanish 17 Dec 87 p 1 PA]*

El Salvador

Pardon Confirmed for Killers of U.S. Citizens

PA290307 San Salvador EL DIARIO DE HOY in Spanish 28 Dec 87 p 4

[Text] As a result of the General Prosecutor's request to revoke an order to release two men sentenced for the murder of two Americans and a Salvadoran Government official in 1981, the Second Criminal Court has confirmed a decision to pardon the two people involved in the so-called Viera case.

Former National Guardsmen Santiago Gomez Gonzalez and Jose Dimas Valle had been sentenced to 30 years for the slaying of two U.S. advisers and Roberto Viera, former president of ISTA [Salvadoran Institute of Agrarian Transformation], at an exclusive hotel in northeastern San Salvador.

A third man, Captain Eduardo Avila, was about to be tried again because of the General Prosecutor's insistence on reopening the case, although Avila had been found innocent from the beginning of the proceedings.

A source within the Isidro Menendez Judicial Center said that the Second Criminal Court nevertheless confirmed the pardon that had been granted by the Fifth Criminal Court.

The decision eliminates the 30-year sentence and definitively acquits Capt Avila.

This decision is based on the amnesty law that is within the framework of the Esquipulas II regional plan in force since 5 November.

U.S. leftists cleverly exploited the Viera case by blaming Salvadoran businessmen for the crime and have tried to make them appear as advocates and backers of the so-called death squads. In this way, the Christian Democrats, whom the United States has been sponsoring for the past 10 years, would be made to appear as the only solution for El Salvador.

UNTS Reports Government Disbandment Plan

PA270326 San Salvador EL MUNDO in Spanish 23 Dec 87 p 2

[Text] Several labor organizations yesterday reported a government plan to disband them. Reportedly, this plan would be implemented through psychological, legal, and military pressures.

The National Union of Salvadoran Workers, UNTS, said: "This plan, prepared by the U.S. Embassy in El Salvador, is being executed by the Salvadoran Armed Forces and Government, which are desperate because of the internal collapse of the PDC [Christian Democratic Party] and the disagreement with the dominant sectors."

UNTS said this plan includes death threats against San Salvador Archbishop Msgr Arturo Rivera y Damas because he opposed government-controlled scholarships and protested the detention of six ANIS [National Association of Salvadoran Indians] members and the death of political prisoners Gerardo Hernandez Torres and Manuel de Jesus Araujo Torres at the Mariona penitentiary. UNTS also reported "the Azcona Hoyo government's harassment of Salvadoran refugees at Colomoncagua, Honduras, with the approval of the Salvadoran Government; the detention of UNC [National Peasants Union] leaders at Finca San Jose La Lima, Huizucar, La Libertad Department; the firing of employees of some businesses; and the eviction of members of the Mothers' Committee from the area around the Ministry of Justice."

In addition, the ISSS [Salvadoran Institute of Social Security] trade union has condemned the machinegunning of an ambulance that was carrying ISSS members. In the attack 2 nurses were killed and 10 employees were wounded. The ISSS held the government responsible for the attack, although they admitted they did not have direct evidence of the government's guilt. However, they pointed out that this is the general feeling at the Zacatecoluca Social Security office, the place where the victims worked. The attack took place on the highway leading to La Herradura while the employees were returning from the Izalco Cabana Club at the Costa del Sol, where the trade union had held a year-end celebration.

Also, the Coordinating Board of Solidarity With Workers, CST, said the shooting "resulted from the Christian Democrats' desperation and inability to find a solution for the problems presented by several sectors."

The CST also mentioned the murders of Herbert Anaya Sanabria, Jose Raul Henriquez, Gerardo Hernandez Torres, and Medardo Ceferino Ayala—an ANTEL [National Telecommunications Administration] employee. Ayala was killed in the Zacatemil neighborhood recently while on his way to work. ASTTEL [Salvadoran Association of Telecommunications Workers] released a communique condemning this murder and warning its rank and file members of any call by the Executive Council. [sentence as published]

Nicaragua

Obando y Bravo on Next Government-RN Meeting

PA281710 Managua Radio Sandino in Spanish 1200 GMT 28 Dec 87

[Interview with Cardinal Miguel Obando y Bravo by unidentified reporter; date and place not given—recorded; broadcast in progress]

[Text] [Obando y Bravo] ...I do not know. I will have to find out who did not observe the truce, whether it was the Nicaraguan Resistance [RN] or the government.

[Reporter] [Question indistinct]

[Obando y Bravo] I would need to have more facts to formulate an opinion and to find out who did not observe it, but if there were people killed this means there was an exchange of fire between the sides. However, I need to have more facts.

[Reporter] Do you know where the next meeting place will be? Will it be in Belize or Panama?

[Obando y Bravo] We have always had difficulty deciding on a meeting place. The government has insisted that the meeting should be in Washington. The RN has insisted it should be in Nicaragua. I would like it to be held somewhere in Central America. I have read the Esquipulas II agreements and do not see any obstacles for the meeting to be held here in Central America. If Esquipulas II was born here in Central America, the logical thing to do is to hold the meeting in Central America.

[Reporter] The RN has refused to hold the meeting in Panama or Belize. Do you have anything to say to this?

[Obando y Bravo] I have been busy because of the Christmas holidays. I know that the RN did not want to meet in certain places. I have been busy, but in a couple of days I will begin looking for the most suitable place to meet. The RN told me in the Dominican Republic: We have agreed to come to Santo Domingo out of regard for the mediator, but we want you to note that this is the third time the RN has come to Santo Domingo and we would like to meet somewhere else.

I know that the Nicaraguan Government has suggested Panama or Belize as possible meeting sites. However, if there are difficulties we will have to look for another place. I continue to insist that the meeting should be held in Central America.

I would like to take this opportunity to thank the Dominican authorities for their warm reception. They have opened up their doors; they have been a very wonderful people. However, I do understand there are some difficulties in traveling there.

[Reporter] Have you had any talks with the Sandinist government?

[Obando y Bravo] The government had requested a meeting with me, but I have been busy during these Christmas holidays. We will probably have to hold a meeting. I will also have to hold a meeting with the RN to find out what they have decided. There will probably be a meeting before 15 January.

Lawyer on Charges Against U.S. Pilot
PA282325 Managua Radio Catolica in Spanish 1830 GMT 28 Dec 87

[Text] The General Directorate of State Security [DGSE] has instructed Attorney General Julio Cabrera to prepare the charges the Sandinist government will bring against U.S. citizen James Denby, whose private airplane was downed by Sandinist Navy fire while flying to Costa Rica.

The "Iglesia" newscast was told this by attorney Enrique Meneses Pena, who, as is known, is the American's defense attorney. Meneses said the following:

[Begin recording] [Meneses] Mr Denby is in the DGSE's custody in Chipote. I have spoken to him, and he says he has been treated well. The last time I spoke to him, however, he said he had lost 17 pounds. In other words, in the 17 days he has been held by the DGSE he lost 1 pound daily. I suppose that he is suffering from normal undernourishment, that he is not receiving large amounts of food, and that his worries have made him lose weight too quickly.

[Reporter] You are going to defend Denby. What charges will the DGSE bring against him?

[Meneses] So far I do not know what the charges are. There have been many days of investigation, and I assume they will bring many charges against him. However, I do not believe any of these charges can be criminal in nature. This is a man who simply has a big problem: First they hit his airplane and forced him to land, and now the government does not know what to do and must bring charges to justify his arrest.

[Reporter] What is the difference between Hasenfus and Denby?

[Meneses] I remember the Hasenfus case somewhat, and I believe he was using his airplane to drop weapons to the contras. This is not Denby's case. Denby spent Thanksgiving in the United States and was returning to his property in Costa Rica. He always does this by airplane. He was trying to reach his property when he was hit and forced to land for [words indistinct]. I do not see any similarity between the two cases. They are totally different.

[Reporter] Will he be tried by the common court or the special court?

[Meneses] The DGSE usually sends these people to the Anti-Somozist People's Tribunal, and this is what the prosecutor, Attorney General Dilio Cabrera, told me. He told me on 22 December that he is preparing the case and that charges are being brought so Denby can be sent to the special court.

[Reporter] Should Denby be considered a mercenary?

[Meneses] I believe it would be a little too much to think of Denby as a mercenary [words indistinct]. [end recording]

Meneses said that Denby is an honest man and that he is not involved in any of the things the government has linked him to. The charges are not real but are exaggerated, Meneses said. He explained the defendant flew over Nicaraguan airspace because of bad weather and because the airplane he was flying has a maximum altitude of 4,000 meters; if the plane were to go above that altitude the crew would suffer respiratory problems. Furthermore, the small airplane only can carry up to 250 kg, Meneses Pena concluded.

Contra Leader Calero's Christmas Message

PA270359 San Jose Radio Impacto in Spanish 1830 GMT 24 Dec 87

[Message "to the Nicaraguan people" by Dr Adolfo Calero Portocarrero, member of the Nicaraguan Resistance Directorate; date and place not given—recorded]

[Text] On another commemoration of our Savior's birth I am beginning this message to the Nicaraguan people with the same words that were spoken in [words indistinct]: Peace on earth to men of goodwill.

Nicaraguan people: This is not the best time to wish you happiness. We Nicaraguans are enduring a tyrannical oppression under the Sandinist regime. Those who live in Nicaragua are suffering repression, the most horrible shortages in the history of our country, the terror imposed by the Sandinist Defense Committees and the divine mobs, and from a lack of liberty.

Those of us who live outside of Nicaragua are enduring exile, condemned to not seeing our beloved fatherland.

However, a sector of the Nicaraguan people is fighting the Sandinist tyranny right now and inflicting large defeats. That sector, which deserves our admiration and respect, will represent, in the future, the keystone of our future happiness. They are the heroic members of the Nicaraguan Resistance—the freedom fighters.

While it is true that right now we cannot adequately celebrate this Christmas holiday because either our families are scattered or because those that are together have nothing to celebrate with, we should take this occasion to think about our national tragedy, about its causes.

We must all struggle together to overthrow the dictatorship. Unlimited ambition has caused an incompetent and terroristic small group to betray everybody's struggle and deliver us to foreign interests, thus turning us into pawns in the struggle of the superpowers.

This betrayal has put us in this tragic situation. We will not get out of it until the group of traitors who wrongly call themselves Sandinists understand that peace will only be found by restoring the revolution of all the Nicaraguan people to its original path. Otherwise, the Nicaraguan Resistance will fight and die in defense of the legitimate rights of the Nicaraguan people until victory is reached.

We have fought with fire but we have also offered an olive branch of peace by accepting a political solution. This is why we have applauded the noble objectives of Esquipulas II. We have stated our intention to abide by it. Despite the fact that Esquipulas II is not totally satisfactory to our interests and that it has imposed sacrifices on us, we accepted Esquipulas II to spare our people.

However, at this point we are noticing that what Sandinism wanted when it signed the Guatemala agreement was our unconditional surrender while the Sandinists comply with nothing. This is what the FSLN's negative domestic political position as well as its negative foreign political and military position have made clear. Sandinism broke off the national dialogue with the political coalition parties in Nicaragua and has made a mockery of His Excellency Cardinal Obando y Bravo by trying to make his mediation effort fail.

The FSLN has maintained its terroristic decision to forcefully impose its political plans in spite of the fact that it signed the Esquipulas II agreement. At this point there is every indication that the pacifist intentions of the four Central American presidents are failing. This is the Christmas present that the FSLN has given to Nicaragua. In spite of all this, the Nicaraguan Resistance will continue to search for peace by all means, for a true peace for all Nicaraguans, a peace based on democracy and respect for human rights.

This is not a moment for happiness, but I must declare that the struggle of our fighters and of the internal opposition does give us hope: hope for a better future, for true reconciliation, and for the redemption of Nicaragua.

Fuel Shortage Reported in Managua, Elsewhere

PA252236 Paris AFP in Spanish 0000 GMT 24 Dec 87

[Excerpts] Managua, 23 Dec (AFP)—During the last few hours a fuel shortage has been reported in Managua and in other places in Nicaragua, and the government has not yet explained the problem.

Many drivers waited in long lines at service stations to receive fuel.

Consumers believe the fuel shortage is the prelude to a new price hike.

Since the beginning of the year diesel and gasoline prices have increased nearly 1,000 percent. [passage omitted]

In statements to a local newspaper, Otto Schaffer, Petronic [Nicaraguan Petroleum Enterprise] director, affirmed that "there are no restrictions on the supply of diesel and gasoline to distributors" that would explain the shortage.

Panama

UNADE Parties Criticize Delvalle Decisions

PA241300 Panama City Telemetro Television in Spanish 2300 GMT 23 Dec 87

[Text] The UNADE [National Democratic Union] parties, with the exception of the Republican Party [of President Eric Arturo Delvalle], met this afternoon and issued a communique stating their unhappiness with decisions recently adopted by the president, and they called for an amnesty that will permit the reopening of the media as soon as possible. The communique was made public by Democratic Revolutionary Party [PRD] President Romulo Escobar Bethancourt.

[Begin recording] [Escobar] First: To criticize the executive branch—the Presidency—for its attitude of not consulting with the UNADE parties concerning important measures that should need the consent of the parties and their legislators.

Second: To reject and to instruct UNADE legislators to reject the presidential appointments to the Supreme Court of Justice.

Third: To point out that cabinet changes and changes in the directorships of autonomous institutions will be accepted by the UNADE parties only if there is prior consultation with the National Executive Councils of those parties.

Fourth: To point out that our parties believe the Legislative Assembly is the one, in cases of amnesty, to specify under what circumstances the reopening of the closed media would be possible.

Therefore, UNADE legislators are urged to pass the bill that would permit the reopening of the media.

[Reporter] How long have these differences existed between UNADE and the executive branch?

[Escobar] These differences have been going on for several months, but they have increased in recent weeks.

[Reporter] Is not this position taking authority away from the president of the Republic?

[Escobar] No, because we are not questioning the president's authority or power to make appointments or to take measures as president of the Republic. This just means our parties also have rights and the authority to make their own decisions in matters that affect them. [end recording]

Meanwhile, Labor Party Secretary General Ramon Sieiro has cautioned the president to not forget it was UNADE who put him in power:

[Begin Sieiro recording] The executive branch has adopted measures that deal not only with the reopening of the media but also with other government matters, and has ignored the UNADE parties. Apparently, somebody wants to give the impression that the parties are one thing and the president is another. What we have done today is remind the president that he reached his position through the parties that took him to power and that we would view as treason the adoption of measures aabout which the parties should first be consulted.

I am specifically talking about the apparent clash between the executive and the legislative branches, because he is sending to the Legislative Assembly appointments that must be approved by the legislative, and he is doing this without any prior consultation. [end recording]

Republicans Back President

PA251744 Panama City LA ESTRELLA DE PANAMA in Spanish 25 Dec 87 p 1

[Statement by the Political Committee of the Republican Party; issued in Panama City on 24 December]

[Text] Whereas: [subhead]

1. The UNADE coalition, at a meeting held on 23 December without the participation of the Republican Party, stated its disagreement with measures adopted by President Eric Arturo Delvalle, legitimately exercising his constitutional powers;

2. To justify this attitude, it is being claimed that there is a lack of coordination between the UNADE coalition's parties and the executive branch, and that some of the measures he has adopted have to do with sensitive matters that merited consultations;

3. The Constitution clearly establishes the independence existing among the state's branches—the legislative, the executive, and the judicial;

4. In his decisions, the president has been moved only by his desire to consolidate the prestige of our highest court of justice, to strengthen the people's faith in future elections, and to promote peace and the conciliation and unity of the Panamanian family;

Resolves: [subhead]

A. To broadly and firmly support the president and all the measures he has adopted, and to congratulate him for his efforts in favor of national concord and the well-being of the Panamanian people;

B. To remind the UNADE parties that they have publicly appealed for national understanding and for the resolution of the crisis the country is enduring, a position that the Republican Party fully shares;

C. To state its pleasure with the positive 23 December talks about matters such as amnesty and the opening of the media, subjects that were discussed by the president in his 16 December speech when he spoke of the unalienable rights of individual liberty and freedom of speech. On that day tribute was paid to loyalty;

D. To reaffirm its firm disposition to promptly meet with any political party, association, or civic institution to sincerely search for viable roads to a peaceful resolution of the nation's problems.

Panama City, 24 December 1987

Political Committee of the Republican Party

Panamenists Rap Delvalle

PA290139 Panama City LA ESTRELLA DE PANAMA in Spanish 28 Dec 87 pp A-1, A-14

[Communique issued by the National Executive Committee of the Panamenist Revolutionary Party; date and place not given—quotation marks as published]

[Text] The National Executive Committee [CEN] of the Panamenist Revolutionary Party has released this communique criticizing President Eric Arturo Delvalle.

The president cannot preach harmony while creating divisions.

During the party's CEN meeting at the end of the year, the Panamenist Revolutionary Party replied to an official statement by the Republican Party regarding President Delvalle's decisionmaking process.

"First, the task of leading the state should not be regarded as a secret job limited to a select group formed by friends and fellow party members.

Second, UNADE is a coalition in which the Democratic Revolutionary Party, PRD, has an absolute majority." "It is inappropriate to discuss here the president's constitutional powers, but we must point out that the Legislative Assembly is Panama's primary state organ and that UNADE's pluralism constrains the president to govern by a consensus of all parties."

"As far as we know, Panamanians did not elect a Republican Party president in 1984, or anything close to it. This is why the Republican Party's insistently firm position implies both arrogance and contempt for parties active in the country and which will be decisive factors in the 1989 elections."

"The president cannot preach harmony while creating divisions and maneuvering to exclude some parties."

"For the good of the country and for his government's stability, the president should call for a dialogue, not privately, but involving all of the parties together, even if we do not belong to the exclusive circle of his select friends or permanent proteges."

"We demand public dialogue at all levels precisely because we advocate such a dialogue. If justice begins at home, how can the president and his party completely ignore political reality?

The executive branch's most important act would be to respect the Assembly and to talk with us. In this way, the government's measures would be more timely and more realistic."

"The president has continued to be aloof and reluctant to hold news conferences or to listen to reporters. There is no communication with the other UNADE member parties. In this way, his office loses creative momentum and is detrimental to the nation."

National Executive Committee of the Panamenist Revolutionary Party

Luis Gaspar Suarez Sierra, President and legal representative

Francisco Puente Gonzalez, Secretary General of the Black Berets Panamenist Youth

Minister on Debt, Budget, Seeking EEC Aid

PA250357 Panama City LA ESTRELLA DE PANAMA in Spanish 24 Dec 87 pp 1, 16

[Article by James Aparicio; all figures as published]

[Text] Ricaurte Vasquez, planning and economic policy minister, yesterday told LA ESTRELLA DE PANAMA that the Panamanian Government will seek "an understanding" with commercial banks "to jointly reschedule or postpone under a long-term agreement" the payment of interest and service on our $5 billion foreign debt.

Vasquez said: "We hope this year's foreign private sector's investments will continue in 1988." He expressed concern over the rate of growth, which will be "insufficient to absorb the cost of labor and employment" if the delicate state of government finances continues.

Vasquez pointed out that for 1988 Panama is seeking economic aid from the EEC, in the wake of the withdrawal for political reasons of U.S. and U.S. AID economic assistance to Panama.

He said that "we sought and obtained support from the EEC." He reported that the British Government has supplied two electric turbines for the Institute of Hydraulic Resources and Electrification (IRHE) as part of a financial program that includes a donation.

Vasquez said that Panama has sought economic aid from other EEC countries to carry out rural development and environmental programs.

Vasquez said that AID's suspension of loans might lead to the postponement of some projects if no alternate source of financing is found. He said, "in the budget, 29 million balboas had been assigned to the Institute of Natural Renewable Resources, the National Investment Council, and other government agencies."

Panama is facing a fiscal crisis because of the political crisis which has shaken the country since June and which has resulted in decreased national revenues. According to government figures, the "sensitive" personal services sector, or the salaries of about 125,000 government employees, might be affected because these expenses amount to 1.12 billion balboas, while revenues range from 1 billion to 1.03 billion balboas [for that sector].

The national budget presented by the Ministry of Planning and Economic Policy to the Legislative Assembly for approval is 10-percent less than the budget submission for 1987. The 1988 national budget allots 3.548 billion [balboas] for total expenses. Of this, 1.716 [billion] is for the central government, while 1.442 billion is for the decentralized sector.

Argentina

Sourrouille Announces Debt Talks Resumption

PY290159 Buenos Aires LA PRENSA in Spanish 28 Dec 87 p 5

[Text] According to press reports, Economy Minister Juan Vital Sourrouille will personally resume negotiations with foreign creditors in mid-January.

The same source states that Sourrouille made this announcement during a meeting with a group of businessmen whom he told that the upcoming negotiations he will carry out with the foreign banking sector regarding the Argentine foreign debt will be "complicated."

The announcement made by the economy minister once again puts to rest the insistent rumors on his exit from the ministry.

Minister Cited on Economic Policy, Objectives

PY281513 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1312 GMT 27 Dec 87

[Text] Buenos Aires, 27 Dec (NA)—Economy Minister Juan Sourrouille has warned that the imminent start of negotiations by the labor-management arbitration board could cause some "disarray" in the economic variables. He said that the program he is implementing is "progressive" and that he regrets that "on some occasions I failed to have a firm hand when it was needed."

Regarding the negotiations related to the foreign debt held with different foreign organizations, Sourrouille said that the greatest disagreements were with the IMF because its officials "have an incorrect diagnosis and a simplified, incomplete, and far from realistic model for reference."

In an interview granted to the morning daily PAGINA 12 published today, Sourrouille said that during his administration "salaries and other variables remained stable without great variations" and that his objective as head of the Economy Ministry is "to formulate, from the point of view of economic policy, solutions which I believe to be progressive."

He said that he is not annoyed when he is labeled a technocrat, when that term is used to refer to someone who follows a technique, but that he is "upset" when that term "is used disrespectfully, accusing one of not having social sensibility."

He admitted that the workers "are not happy" with his administration but he pointed out that the workers at the lowest end of the salary scale "will always be dissatisfied because they believe the current government has the responsibility of improving their situation," adding "we believe we must do this."

Sourrouille added that he is constantly asking himself why he is a minister because he is not one by choice, "but because someone asked me," and that he is "dependent upon the goodness and accuracy of his contribution to the political process."

However, he added that "as a team we put more emphasis on the decisions responding to the economic rather than the political model," and that this is so because of his economic training. But he pointed out that "the president and other ministers influence the political aspects of the decisions."

Sourrouille also said that economic policies "are designed to benefit everyone" but he explained "this does not mean that they will benefit everyone individually," and "although the principle of equity in periods of prosperity means more for everyone, this is currently not possible in this country."

He said "there are sectors which are lagging behind and if they adhere to the idea of maintaining their position they are not going to find a way out." He added "sectors that do not understand that they must break their isolation from the world or that do not realize that the type of government Argentina should have is quite different from a decade ago are going to have a rough time."

He said "the possibilities for achieving prosperity for someone working for the Argentine Railroad Enterprise are much fewer than for someone working in agroindustry or data processing."

Sourrouille said the role of the government is to "guide production and to work in the system of redistribution" because "it is obvious that nowadays a significant percentage of the workers do not have access to a basic, much less dignified, standard of living."

He added that although "there is room for influence by economic officials on production, it is not possible to go against the basic lines of operation of a society based on capitalism."

Alfonsin Views National Presence in Antarctic

PY222124 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1618 GMT 22 Dec 87

[Excerpts] Buenos Aires, 22 Dec (NA)—President Raul Alfonsin today noted the Argentine presence in the Antarctic by stating that the group of scientists and military men who departed today for that region to begin the summer season there "will contribute" to reaffirming "the legal, geographical, political, and historical record concerning our rights in the Antarctic." [passage omitted]

The group includes scientists from the Armed Forces joint staff. In the Antarctic, the scientists will continue to carry out research work in various areas. There are several Argentine bases in the Antarctic.

The icebreaker "Almirante Irizar" departed today from dock A of the metropolitan port.

At the departure ceremony, Alfonsin emphasized the task being conducted in the Antarctic, stating that "this task epitomizes the country's vast human and material effort to support its rights which, no doubt, are marked by 8 decades of generous dedication." [passage omitted]

Responsibilities of Armed Forces Branches Set
PY290207 Buenos Aires TELAM in Spanish 2118 GMT 28 Dec 87

[Text] Buenos Aires, 28 Dec (TELAM)—The Ministry of Defense today announced the end of the study on the separation of responsibilities between the different branches of the Armed Forces. The ministry added that, as a consequence of the study, it will be easier for each branch to fulfill its specific duties and to work together harmoniously and efficiently.

The communique adds that the agreements will allow the Armed Forces to continue progressing toward modernization with an eye toward building an efficient and adequate military instrument in accordance with national defense needs.

According to the communique, the agreement on the separation of responsibilities was reached on 21 December.

The ministry says that the results are a consequence of the experiences gathered during the South Atlantic conflict and from studies and exercises carried out since then to obtain maximum integration and the greatest possible utilization of means available to the Armed Forces.

The communique adds that some of the most important items in the agreement include air transport, air defense, tactical and strategic air reconnaissance, strategic air offensives, search and rescue of aircrafts, airborne operations, Armed Forces satellite system, and strategic missiles.

The ministry says that the agreements overcome the differences over basic responsibilities that still existed in the process of reorganization of the Armed Forces as ordered by the present government.

The communique adds that the agreements will allow the Armed Forces to continue progressing toward modernization in order to build an efficient and adequate military instrument in accordance with national defense needs.

Protest Against 'Police Repression' Reported
PY241703 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1555 GMT 24 Dec 87

[Text] Buenos Aires, 24 Dec (NA)—Some 55 persons still remain under arrest at the 3d police station in this capital for participating in a protest march against "police repression" last night near the obelisk. They will be released this afternoon after they are identified and their records reviewed.

According to spokesmen of the groups that were at the march, many of the demonstrators "have sustained wounds and bruises."

According to eye-witnesses of the police repression, the march had been organized by groups of anarchists and "punks," the same ones who "organized the march to protest the pope's visit."

Regarding the incidents that took place, they stated that the demonstrators never provoked the police but that they were surrounded on the corner of Lavalle and Florida Streets.

In a statement to NOTICIAS ARGENTINAS, one of the youths asserted that he witnessed "young people being beaten with knuckledusters and truncheons by seven or eight policemen who then dragged them by the hair to police vans."

The 55 persons—35 adults and 20 minors—who were still under arrest at midmorning today were all males.

Police sources stated that those arrested will be released as soon as they have been identified and their backgrounds checked, and noted that no charges have been filed against them since they had not committed any crime. The source said that all procedures were being carried out by the 34th [as received] police station of this capital.

Bolivia

Former Labor Group Head Urges Armed Struggle
PY281240 La Paz La Red Panamericana in Spanish 1130 GMT 28 Dec 87

[Text] Juan Lechin Oquendo, former leader of the Bolivian Labor Confederation, has said that in order to overcome the serious national problems it is necessary to change the current government structure.

Lechin said that an armed struggle could be the most effective way to enable the people to obtain power and decide the future of the country. Lechin told this radio station that the Armed Forces and the police should participate with the national majorities to carry out the needed changes.

Lechin added that only an armed action can allow the people to obtain power with which to defend the interests of the country. He also criticized the current government for its economic policies, which he termed antipatriotic and which benefit the transnationals. He pointed out that the current economic policies are ruining the country, and that they do not help in overcoming the current crisis.

Briefs

IDB Loans Reported

The IDB announced today in Washington that it has granted two loans to Bolivia for a total of $80.7 million. The funds will be used for the improvement of roads and for forest and soil protection. [Summary] *[La Paz La Red Panamericana in Spanish 0000 GMT 19 Dec 87 PY]*

Brazil

Government Views Position on Debt Negotiation

PY281526 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Dec 87 p 28

[By Helival Rios]

[Text] A source close to the President's office yesterday revealed to ESTADO press agency that former Finance Minister Bresser Pereira's idea of negotiating a discount for the entire Brazilian foreign debt will be discarded. After thoroughly reviewing all aspects of the foreign debt negotiations, government analysts have reached the conclusion that the former finance minister's idea of trying to obtain a discount of up to 50 percent on the entire foreign debt "does not make sense."

The discount at which the foreign debt is being negotiated on the international financial market, according to presidential advisers, applies to no more than 1 percent of the country's total debt. The portion that is being negotiated at discount refers to credits from small banks that have no administrative structure with which to maintain long negotiations with Third World countries. They have discovered that the administrative costs entailed by protracted negotiations is very high, and so they prefer to sell their debt notes, even at a high discount rate.

To think, as former Minister Bresser Pereira did, that the entire historical debt of Brazil, the West's eighth largest economy, can be negotiated on the market at half its nominal value "is unrealistic."

In reevaluating the Brazilian foreign debt negotiations, President Sarney's advisers reached the conclusion that the former finance minister was wasting too much time in attempting to maintain impractical positions, such as expecting to obtain a discount on the entire historical debt. In the opinion of the presidential advisers, a debtor country may negotiate a discount on specific cases involving, in general, small sums. A typical case in which a discount can be negotiated is the conversion of debt into risk capital. In the case of Brazil, this conversion would be limited to something in the order of $1.5 to $2.0 billion per year. A larger volume cannot be considered because of the excessive liquidity risk that such a measure could generate in the market, thus making it difficult to hold down inflation.

In the opinion of President Sarney's advisers, it can be said that with the departure of Bresser Pereira from the government, "good sense has returned to the negotiating table" on the Brazilian side.

They pointed out, however, that this does not mean a "softening" of Brazil's position. On the contrary, the advisers stress, Brazil will maintain its hard position, but will not take to the negotiating table any wishful, naive position, divorced from the reality of the international financial market.

According to the presidential advisers, the following points will be pursued in the next round of foreign-debt negotiations:

1) Safeguards against abrupt fluctuations in interest rates in the international market which may jeopardize stability of the country's balance of payments; 2) a guarantee by international creditors to refinance a portion of overdue interest payments so that the debtor country can maintain a positive rate of economic growth; 3) full guarantee of refinancing for short-term operations, basically of commercial credits for importing equipment and components, for services, and for exports; 4) establishment of a relationship between remittance of interest payments by the debtor country and the volume of its exports and/or its GDP growth; 5) a renegotiation of spreads (risk rates) that the country pays, since the Brazilian Government understands, on the basis of discussions with the creditors, that the spreads of 1.125 percent (one and one eighth) which the country has been paying since 1986 are only temporary; 6) a longer payback period—at least 20 years—for the debt principal; and 7) a multiyear agreement so that debtors and creditors will not have to engage in negotiations every year.

President Sarney's advisers believe that the terms of the new round of negotiations on the Brazilian foreign debt will be definitely established by 29 January 1988.

Sarney Signs Decree Increasing Minimum Wage

PY282343 Brasilia Domestic Service in Portuguese 2100 GMT 28 Dec 87

[Text] President Jose Sarney today signed a decree readjusting the minimum wage by 25 percent, thereby raising it from 3,600 to 4,500 cruzados. The decree was signed at the Maranhao Island of Curucu, where the president is resting for a few days.

Sarney met with Acting Finance Minister Mailson da Nobrega, with whom he analyzed the decree and other economic issues. During the meeting, which lasted 5 hours, the acting minister briefed the president in detail on the demands posed by business and financial sectors in connection with the government's fiscal package.

Talking to reporters, Mailson da Nobrega said that the government does not want to increase the normal cost of exports, adding that Sarney asked him to tell exporters to remain calm about this topic. According to Mailson da Nobrega, the government is analyzing the possibility of eliminating incentives on exports gradually, instead of doing it all at once, adding that this proposal—which was formulated by the exporters—has good chances of being approved.

Concerning the foreign debt, the acting minister said that Brazil has committed itself to bringing to date [ficar en dia] the payment of the interest in 1988 as soon as an accord with the creditor banks is reached.

Asked about the possibility of changing the income tax readjustment rate, Da Nobrega replied that it is a good rate for taxpayers. [recorded passage indistinct]

Poll Shows Business Opposition to Government

PY281353 Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 Dec 87 p A-5

[Text] A poll conducted by Datafolha, which interviewed 302 businessmen of various sectors, shows that most of them are dissatisfied with President Sarney's administration. The federal government's performance was deemed bad, or very bad, by 71 percent of the businessmen interviewed. Only 4 percent of them believe that the administration is good or very good, 24 percent deem it average, and 1 percent of the businessmen declined to comment on it. Sixty- five percent of the businessmen favor a 4-year term for Sarney, and 74 percent of them support the presidential system of government.

Some 79 percent of the industrialists and 72 percent of the merchants have the worst opinion of the Sarney administration.

Datafolha's telephone interview with the businessmen, which was conducted from 15 to 23 December, shows that 15 percent of the businessmen in the transportation and communications sector believe that Sarney's administration is good or very good, while 50 percent of them believe that it is bad or very bad.

Regarding the duration of President Sarney's term in office, 70 percent of the merchants, 65 percent of the industrialists, and 70 percent of the financial sector businessmen support a 4-year term. Twenty-seven percent favor a 5-year term, and 8 percent gave no response.

Most of the businessmen who were interviewed, however, support the presidential system of government. Only 21 percent of them support the parliamentary system of government, while 5 percent of the businessmen interviewed did not answer this question. Eighty-seven percent of the civil construction sector businessmen and 85 percent of the financial sector businessmen interviewed support the presidential system of government.

Chile

Garcia Meets U.S. Envoy, Conveys 'Annoyance'

PY290218 Santiago Domestic Service in Spanish 2200 GMT 28 Dec 87

[Text] Foreign Minister Ricardo Garcia this afternoon reported that during a meeting with U.S. Ambassador Harry Barnes, he reiterated to the ambassador that the latest measures the U.S. Government has adopted against Chile do not favor bilateral relations and that they amount to interference with the Chilean people's right to build their own political future, which will lead to the creation of a stable democracy.

During a news conference held a few minutes ago, Garcia said that he conveyed to the U.S. ambassador the Chilean Government's deep annoyance at several U.S. Government actions, such as the statements by President Ronald Reagan, the U.S. congressional decision to grant $1 million to the Chilean opposition, and the resolution that affected the generalized system of preferences. The minister said that such actions have hurt Chilean dignity, and that they will not contribute to the democratic process that Chile is implementing. The minister explained to the U.S. ambassador that Chile is passing through a political process, that the Chilean people must build their own future, and that this situation has been affected by statements and measures that originate in foreign countries. [recorded passage indistinct].

The minister added that the reasons used by the U.S. Government to justify the measures against our country reflect discriminatory treatment. It is essential that the world at large, and the United States in particular, understand the deep significance of what is being done in Chile. Our country, Garcia said, is building a democratic and free society based on the advancement of all Chileans and, as has been the case with the United States, this process can be interfered with, which has negative results for our country.

Garcia has also confirmed that the United States has withdrawn its support to Chile for the insurance system for investment abroad, which is another measure against our country.

Political Leaders Criticize U.S. Sanctions

PY262220 Santiago Domestic Service in Spanish 1600 GMT 26 Dec 87

[Text] This is another measure intended to put pressure on Chile, thus creating problems in the political and economic sectors, said National Renewal Party leader

Luis Angel Santibanez when asked his opinion on the U.S. suspension of customs exemptions for Chilean products. I find this attempt from abroad to divide Chileans, with the shameful participation of opposition political and labor leaders, to be quite inappropriate, Santibanez added.

Another National Renewal leader, Juan de Dios Carmona, said the U.S. measure is unjust because our country is making great efforts to build a more just society. He added that this is a conspiracy because the arguments resorted to by the Reagan government are not valid in view of the good aims of our government.

Pinochet Condemns 'Misinformation Campaign'

PY242244 Madrid EFE in Spanish 0237 GMT 24 Dec 87

[Excerpt] Santiago, 23 Dec (EFE)--During a year-end meeting with representatives of the communications media, Chilean head of state General Augusto Pinochet today reaffirmed his criticisms of what he termed a "giant Marxist misinformation campaign" against Chile.

Present at the meeting—a luncheon in a country club—were several ministers and other government officials, as well as some 150 directors and representatives of newspapers, magazines, radio stations, television stations, and foreign correspondents.

In his speech, Gen Pinochet stressed the importance of the press which has played a vanguard role from the very beginning of this country's independent existence. [passage omitted]

Cardinal Refuses To Send Greeting to Pinochet

PY242212 Madrid EFE in Spanish 1501 GMT 24 Dec 87

[Text] Santiago, 24 Dec (EFE)—Msgr Raul Silva Henriquez, Santiago's retired archbishop who holds the office of cardinal, has refused to send a Christmas message to General Augusto Pinochet.

Msgr Silva was interviewed last night by local journalists after celebrating a Christmas mass at the human rights commission headquarters.

Silva Henriquez sent messages to the relatives of five people who disappeared in September 1987, stating that he was suffering, along with them, from the uncertainty about the whereabouts of their beloved ones.

During his homily, Cardinal Silva, who is a stalwart supporter of human rights, asked the Chilean people to especially respect "the human rights of the poorest people, many of whom sometimes have no one to defend them."

Msgr Silva expressed his desire "for justice, peace, and truth. These things do not exist here and it has been announced that they will come to us. We hope that they will come to us, that there will be mercy, that truth will be restored, and that rights will be respected."

According to Cardinal Silva, "God has given man a right to lawfulness, justice, and truth and this cannot be infringed upon by anyone, although some men abuse and violate this extremely important duty of respecting everyone's rights."

The prelate concluded by saying a prayer "for the nonviolent restoration of peace in Chile."

Terrorist in Carreno Kidnapping Arrested

PY241340 Madrid EFE in Spanish 0306 GMT 24 Dec 87

[Excerpt] Santiago, 23 Dec (EFE)—The indictment of Max Horacio Diaz Trujillo has increased to four [as received] the number of suspects detained in connection with the kidnapping of Lieutenant Colonel Carlos Carreno.

Military Judge Colonel Fernando Torres reported that he has decided to indict Diaz Trujillo for hiding Carreno in one of the three hide-outs.

Torres added that Diaz Trujillo is a rather important leader of the Manuel Rodriguez Patriotic Front [FPMR], which the regime believes to be the armed branch of the Communist Party. The FPMR has claimed responsibility for the kidnapping of Carreno.

The FPMR member was detained by the security forces 10 days ago. Diaz Trujillo has been held incommunicado and will remain so until the judge suspends the order. [passage omitted]

Paraguay

PATRIA Views U.S.-Latin American 'Unity'

PY261633 Asuncion PATRIA in Spanish 26 Dec 87 p 7

[Editorial:"For Unity in Freedom"]

[Text] Only those who are politically shortsighted, clumsy, or the enemy nurture the idea of intrigue in alleged U.S. Government intentions on other American countries. The only concern of the United States is to help these countries in their serious struggle to be part of the free world and of Western democracy. This concern, however, does not presuppose interventionist acts or arbitrary intrusion in the domestic life of our countries. Rather, this concern presupposes a fraternal promotion of freedoms and the exercise of those rights which differentiate between the lives of people on this and the other side of all kinds of curtains: iron curtains, bamboo curtains, sugarcane curtains, banana curtains, etc.

In ideological terms, this means the United States is not seeking a uniform type of republic, pluralism, national organization, or state behavior. What it is seeking is the implementation of the common principles brandished by the founders of our nations from George Washington and Jose de San Martin, to Gaspar Rodriguez de Francia, Jose Gervasio Artigas, Bernardo O'Higgins and Simon Bolivar; and from Bolivar to all the great leaders of the emancipation and formation of the great American family of nations.

We can then talk of a unity in diversity, of unitary states and federal states. We can recognize that the fact presidential governments predominate is not an impediment for considering the installation of parliamentary systems, as is happening in Argentina and Brazil. The fact that a man may be reelected an unlimited number of times should not affect the concept of democratic purity as long as the direct vote of the people is respected, elections are held regularly, options are freely proposed, and a government of the majority with full participation of the minorities is installed.

The opposition should be formed not only by dissident groups of the same party, as happens in totalitarian governments. This is how these governments justify single-party rule without real and legal opposition. Within the process they create a kind of "internal opposition"; whoever wins, wins for the same party and for the same centrally controlled policy. The opposition in a representative democracy responds to the idea of a real multiparty system which will admit, in some cases, the risk of having a "rotten apple," such as the communist party which is markedly totalitarian, within the government and participating in the democratic institutions. In other cases—and this is the situation in Paraguay—the representative democracy does not accept the participation of the enemy because by its doctrine, its programs, and purposes, it pursues the elimination of all opposition, of all criticism and competition in order to eliminate any challenge to its dictatorial control of power, such as in the USSR, and all states dominated by Marxism-Communism.

After the painful loss of Cuba, after the attempts at domination in the Dominican Republic and Grenada—which were fortunately aborted—and in view of the danger in Nicaragua where even the church is divided in "revolutionary" and republican Christian and democratic sectors, there is no alternative but the militant solidarity of all nations to defend our freedoms and the respect of the principles of self-determination and nonintervention in the internal affairs of other nations. For this to happen, it is indispensable to recognize and respect the juridical equality of nations. The larger, more powerful, and important nations have a greater responsibility in this regard because neither strength nor money gives them a preponderance of rights, rights that correspond equally to all nations.

There is no other way to solve the problem of common security than through dialogue. Parties should attend this dialogue without arrogance and without the pretense of representing the unadulterated example of perfection, because problems exist everywhere, and this include blacks, Indians, and the poor. It is important that governments define their objectives in terms of freedom, pluralism, and the will to advance so each one can design its own development in accordance with its own reality, its own needs, and its own possibilities. We say no to the same rules, to the same order, or the same programs, because we cannot turn free people into "robots," because each people has its own personality, its own idea of priorities, and equal regard for its own sovereignty. Uniformity has to be discarded. We can only talk of the needed harmony and the free and conscientious promotion of items of mutual interests as a way to conduct common policies and be part of a common front. This front is called representative democracy. Each nation, however, should have its own kind of representative democracy and respect the differences established by other countries. Otherwise the ghost of imperialism will threaten us with the worst kind of oppression and will bring about submission and dependence.

This is a summary of the reality encompassing the entire continent. The United States—the largest world power—is one of the members of our continental family. We want to have in its people, in its government, in its institutions, and in its public opinion, the best guarantee that nothing will endanger our own efforts, our own reality. Our effort is similar to the effort every country makes to answer to its own set of ideals, aspirations, and hopes. The objective of all this should be common security; that should not be confused with protection the stronger, but the protection obtained by the agreement of all, through reason and experience. Nothing should be done by the more powerful on behalf of continental security without consultation. All countries should have equal rights to agree on the measures to be taken for that sake so actions in the name of justice do not become violations of other country's rights and so the force of reason does not become the reason of force.

We should prevent differences in size, or questions of prestige or special interests, from tarnishing a policy of mutual respect despite the differences in the character and definition of our sovereign states, because each one has created its own institutions in freedom. We should commit ourselves, however, to defend common security within the boundaries of our democratic system.

Further on Arrest, Release of PLRA Leaders

PY282238 Asuncion LA TARDE in Spanish 28 Dec 87 p 8

[Text] Members of the PLRA [Authentic Radical Liberal Party] executive board have reported that three PLRA peasant leaders are being held at the Interior Ministry's office in Paraguari. The arrested leaders are Gilberto

Riveros, president of the PLRA Carapegua branch; Ceferino Villalba, leader of the Liberal Radical Labor Movement (MOLRA); and Carlos Bobadilla, a peasant leader.

According to reports, several PLRA executive board leaders from Calixto, Carapegua, were arrested on 27 December, after a meeting with peasants during which they discussed the decision to abstain from the general elections to be held on 14 February 1988.

The PLRA leaders were transferred to the Interior Ministry's office in Paraguari, where several leaders were released in the afternoon.

Laino on Arrests

PY282227 Asuncion Radio Primero de Marzo in Spanish 1430 GMT 28 Dec 87

[Passages within quotation marks recorded]

[Text] This morning PLRA President Domingo Laino discussed the situation of the PLRA members who were arrested yesterday in Carapegua, ninth department. Laino began by reading a list of those arrested:

"The list is comprised of Esteban Figueredo, Elva Corrales de Figueredo; Jorge Figueredo, and Larisa Miranda; Luis Guanes, Augusto Brun, and Luis Wagner, members of the PLRA Directorate; Ceferino Villalba, member of the PLRA workers movement; and Pedro Gonzalez; Gilberto Riveros; Eligio Benitez; Aristides Barros; Maria Centurion Benitez; Cleto Benitez; Alejandro Montiel; Carlos Bobadilla, who owns the house where the meeting was being held; Luis Mendoza; and Mr Ramirez.

"At this time all of them have been released again. [as heard]. The first group was released at 1900 and the second group shortly afterwards. They number approximately 20 people."

Laino added that Gilberto Riveros, president of the PLRA local committee; Carlos Bobadilla, of the PLRA youth movement; and Ceferino Villalba, of the PLRA workers movement are the only ones who have not yet been released.

"This violates the fundamental rights of men because the meeting planned by the PLRA Directorate in Carapegua was peaceful."

Laino was then asked why the people were arrested.

"The only reason is we were together, holding a peaceful meeting, and we are not Stroessnerist militants. There is no other reason, because police permission is not needed for 20 people to meet behind closed doors in a private home; we were not even using public property. Besides, there is no state of siege in effect in Paraguay. We therefore consider the arrests arbitrary, as have been many others before. These acts give the worst possible impression at a time when campaigns for the election of a president, senators, and deputies are said to be under way. The whole incident does not make any sense. The mere fact these people, who were simply meeting to discuss PLRA policy, were arrested shows the dictatorial nature and the lack of validity of the 1988 elections."

Laino also said the authorities' attitude does not change their [the opposition's] determination to continue the struggle.

"Instead of cooling down our determination, this will create a much more dynamic reaction because our citizens will reject acts like this which contradict, and violate, our human rights. This will cause a stronger reaction. We will continue to struggle for our freedoms."

Laino said 1987 was a good year for the PLRA.

"We think 1987 was a very positive year not only in terms of the entire national democratic movement that has grown with the addition of a large sector of Colorado Traditionalists. Our party has shown, through mass peasant meetings, that it can be an important party of a future constitutional government which we hope will soon be a reality in our country."

Peru

Shining Path Leader Escapes From Custody

PA242004 Madrid EFE in Spanish 1820 GMT 24 Dec 87

[Text] Lima, 24 Dec (EFE)—It was learned today that architect Hernan Vasquez Condoroma, considered to be a leader of the Maoist guerrilla group Shining Path, has escaped from a Cuzco jail. Apparently he was helped by three guards, who have been arrested.

Authorities in Cuzco, 1,000 km southeast of Lima, had granted Vasquez a special permit to visit an eye doctor on Tuesday. He was escorted by three guards.

Because the doctor's clinic was closed, Vasquez and his guards went to Vasquez' home. There the guards were offered food and drinks. Meanwhile, the alleged Shining Path's "mastermind" escaped.

Vasquez was arrested in July when a large amount of subversive propaganda, explosives, and weapons was taken away from him.

Regarded as the "key figure" of the Shining Path's activities in Peru's southeastern sector, the arrest of architect Vasquez also led to the arrest of many members of that organization.

Army Says MRTA Using Nicaraguan Uniforms

PA241855 Hamburg DPA in Spanish 1728 GMT 24 Dec 87

[Text] Lima, 24 Dec (DPA)—It was officially announced in Lima today that in the confrontation between the Peruvian Army and members of the Tupac Amaru (MRTA) guerrilla movement that took place in the northeastern Peruvian jungle 2 days ago, it was confirmed that the rebels were using uniforms made in Nicaragua.

After the clash with the rebels, who hours before had attacked Tarapoto Airport in the aforementioned region, the Army seized 21 field uniforms like those used by the Sandinist Army.

In addition, 22 firearms—including many belonging to the Peruvian police that were stolen by the MRTA during an attack on the Juanjui police post, San Martin Department, a few weeks ago—were also seized.

The Army also seized a powerful communication radio, explosives, and unissued Peruvian electoral cards (identity cards) that were stolen at the Juanjui electoral registry.

Concerning the casualties resulting from the clashes, the Army reported that one soldier was killed, but it did not release the number of rebel casualties. Press sources reported yesterday that 10 rebels were killed in the confrontation.

San Martin Department is under a state of emergency and night curfew. The area is controlled by the political-military command appointed by the Peruvian Government because of the MRTA incursion into that department some 2 months ago.

MRTA Says 12 Soldiers Killed Since 22 Dec

PA271300 Paris AFP in Spanish 2237 GMT 26 Dec 87

[Text] Lima, 26 Dec (AFP)—In a communique the Tupac Amaru guerrillas today reported killing 12 soldiers since 22 December in San Martin Department. No source of President Alan Garcia's government has either confirmed or denied this report, however.

The Tupac Amaru Revolutionary Movement, MRTA, communique, which was sent to several news agencies, including AFP, claimed responsibility for the attack on the Tarapoto landing strip, 750 km northeast of Lima, on Tuesday night.

According to the communique, "a detachment of MRTA's northeastern front attacked the Tarapoto landing strip and destroyed a huge Soviet-made Mi-6 helicopter with rockets and rifle fire. Four soldiers guarding the helicopter were killed." The MRTA added: "Later, another guerrilla detachment clashed with an Army patrol in the Amazonian jungle. Eight soldiers were killed and an undetermined number were wounded."

The Tarapoto military command acknowledged the attack on the landing strip, but he said that there were no casualties and that the helicopter was only slightly damaged.

The MRTA began a Che Guevara-inspired guerrilla campaign in Peru's Amazonian region on 10 November. The campaign is led by Victor Polay Campos, alias "Commander Rolando," a former member of the ruling APRA [American Popular Revolutionary Alliance].

Authorities Seize Weapons

PA271932 Lima Television Peruana in Spanish 0100 GMT 27 Dec 87

[Excerpt] The security forces have inflicted a heavy blow on MRTA armed subversives in Tarapoto. In two operations in the past days they seized a large number of foreign-made weapons, including 39 FAL rifles, 7 grenade launchers, and 89 other rifles.

The MRTA sustained six casualties in four clashes; security forces casualties included one dead sergeant and two wounded soldiers. [passage omitted]